

24 September 1982

OFFICE OF FINANCE NOTICE NO. 32-82

SUBJECT: Expanded Use of Property Requisitioning Authority

1. Effective 1 October 1982, all Form 88's, Requisition for Materiel and/or Services, submitted to the Office of Logistics (OL) for materiel acquisition, with the exceptions of procurement chargeable to "G" funds or relating to accommodation procurement activity, will be budget certified against Property Requisitioning Authority (PRA). Regardless of whether the procurement action is assigned by OL to their historical Procurement Division branches or Small Purchases Branch, the costs involved will be charged to the component's PRA.

2. Implementation of the above procedure is due largely to greater utilization of data processing technology and will eliminate the need for requisitioning components to adjust procurement obligations between PRA and funds allotments.

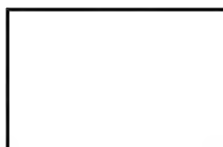


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for
Edward L. Sherman
Director of Finance

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C O N F I D E N T I A L

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ICS/GAS/CONIF INTERFACE

Ever since the Inventory Control System (ICS) became operational there has been an ICS/GAS (General Accounting System) interface for Property Requisitioning Authority (PRA) and General Ledger Accounts.

ICS has always encumbered and liquidated Agency PRA by means of data supplied to GAS at the end of each month. This data is used by Agency budget officers to control their PRA. Inventory General Ledger Accounts have also been updated by GAS through data supplied from ICS at the end of each month, e.g. Receipts Increase and Issues Decrease General Ledger Account 1711 (Stock).

In 1981 an interface was established between ICS and the Federal Automated Requisitioning System (FARS). Requisition and Receiving data is supplied to FARS from ICS and acquisition data is supplied from FARS to ICS each day. In 1982 an interface was established between ICS and the Procurement Division Management Information System (PDMIS). Requisition and Receiving Data is passed from ICS to PDMIS each day.

Several years ago the Office of Finance made a decision to establish commitments/obligations/payment of MPA/Funds by line item with the exceptions of SPB, CPS and IDSB (which will be referred to as non-CONIF related items). All others are CONIF-related. Since most of the data was then resident in ICS, it was decided to extract data from ICS and pass it to GAS to establish line item commitments for all CONIF-related requisition line items citing PRA. This line item commitment is changed to an obligation when the Purchase Order/Contract is established in CONIF, and subsequently passed from CONIF to GAS. When procurement type information is input to ICS to update the requisition line item, data is supplied to CONIF for MPA and Funds transactions to establish a line detail record when the Purchase Order/Contract Numbers match. This line detail record in CONIF is updated from ICS with receiving, T&I and discrepancy data from ICS. When the office of Finance receives an invoice for material, the data is keyed into CONIF and if a line detail record is not present, the payment cannot proceed. However, when there is a line detail record present the invoice and scheduled payment data updates the line detail record in CONIF, and the data is passed to ICS to allow follow-up if receiving has not been accomplished. Payment can be made on Fast Pay and Certificate of Conformance-type contracts without receiving, but on all others receiving data is required before payment can be made.

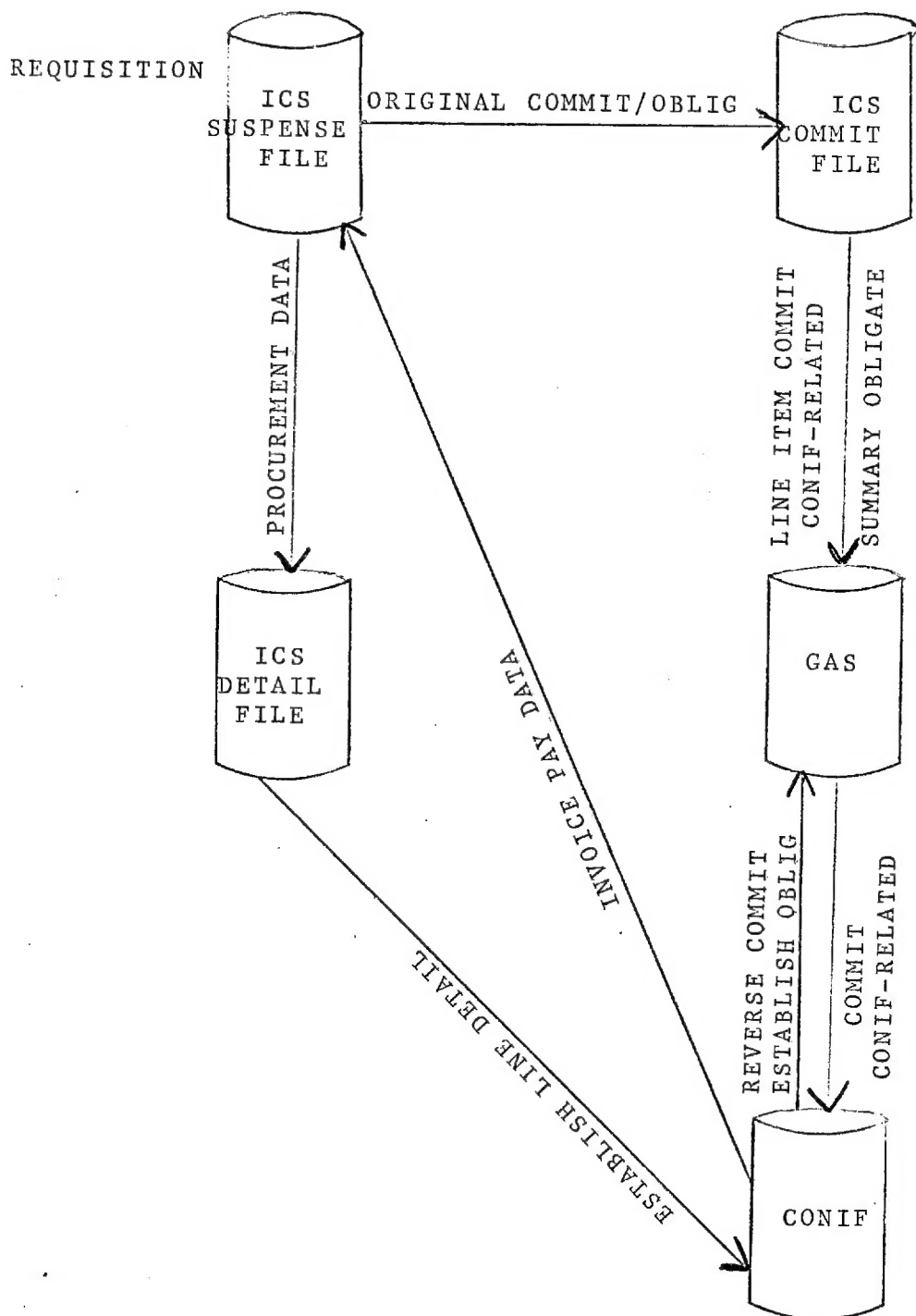
All non-CONIF related requisitions establish a summary-type obligation in GAS. To date this is the extent of that interface. Perhaps in the future receiving and payment data will pass between systems.

When this enhancement was being prepared, the Office of Finance decided that the commitment interface from ICS would be for MPA only.

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However, when the interface became operational and the workload of the budget officers increased dramatically with line item commitments/obligations, it was decided that Funds on requisitions would also be handled through ICS-supplied data. This will become operational in the very near future.

DESIGN PROCEDURES UNDER DIRECT FUNDING CONCEPT:

Re-assignment of responsibilities:

1. No PPA responsibility for OL/SD/SMB or LSD, OC-E/MSB for common items on which OC is OPI, OC for Allocation 26, OTS for Allocation 61 and [redacted]-6 separately. STAT consideration in all.
2. No PRA responsibility for any offices as such. Each individual component now has PRA responsibility and the Commodity Managers for Allocations 26 and 61 have two PRA responsibilities--one applicable to captive stock and one for their common item requirements.
3. Responsibility for Funds:
 - A. Captive Stocks.
 - (1) OC--Allocation 26
 - (2) OTS--Allocation 61
 - B. Common Items in stock
 - (1) OC-E/MSB--Materiel Units IV and V items where OC is the OPI.
 - (2) [redacted] STAT
 - (3) OMS--Items now identified as Allocation 31.
 - (4) OS--Items now identified as Allocation 91.
 - (5) OJCS--Computer supplies and equipment.
 - (6) SOD--Items now identified as Allocation 76.
 - (7) ISAS--Microfiche and duplicating supplies and equipment.
 - (8) OL/SD/SMB--items not identified under B(1)/(7) above.
 - C. Common items not stocked.
 - (1) Each using Agency component.

Procedural Implementation.

1. Development of Management Responsibility.

A. Each property category identified as distinctive requires a single manager, responsible for budgeting funds as required to meet total Agency requirements for those items which will be stocked.

B. For common items not stocked, each using component (not Commodity Manager) will be required to budget and control funds for property acquisition as required.

C. Responsibilities outlined above project a total of 8 Commodity Managers, 5 of which now provide technical guidance but have no funding responsibility. To initiate the direct funding plan, the following steps would be required:

(1) Officially define the item category which each manager would cover, insuring no item overlap.

(2) Define the items within each category which ~~manh~~ would be stocked, as opposed to those for which users must budget separately for funds required to effect direct procurement.

(3) Provide from GIM II ICS the line item management history, a necessary ingredient in the para C(2) decision-making noted above.

(4) Publish the para C(2) conclusions as a guide to using components in determining what is available from stock with no budget effort and what must be considered in developing their fund availability for direct procurement.

D. Subhead C above establishes the parameters to be considered for control purposes. Development of controls will require consideration of the following:

(1) Will the GIM II ICS program, with appropriate revision, still be used to record stock management statistics for the 8 commodity managers? Further comments consider this an affirmative requirement.

(2) Will the commodity managers be interested in the individual consumption of their multiple customers? Since the customers may draw down stock at will, this type of history seems imperative in long range planning.

(3) Assuming an affirmative history requirement, there are multiple choices on how to develop this history:

(a) Does each commodity manager establish the capability to perform the stock replenishment and customer support now accomplished centrally by OL/SD/SMB?

(b) Does each commodity manager, after establishing fund requirements for stock, control commitment of funds and records of control?

(c) Does the B&F check and balance function now centralized in OL disperse to the B&F office of each Commodity manager?

(d) On either a dispersed or centralized basis, if the GIM II ICS program is to accumulate consumption data, it will be necessary to determine at what level:

at Base and Station level; at Area Division level; at the level of each currently identified Type II FPA property account; at program or project level? When this determination is made, it may be possible to use existing GIM II ICS tools, such as User Activity Designator (UAD) or presently assigned Property Requisitioning Authority (PRA) Financial Analysis Numbers (FAN's) in effecting computer input and data retrieval.

E. Subhead D above refers to the stock and non-stock responsibility of each Commodity Manager. Documentation available makes no reference to a mechanism to supersede the present Type II FPA control of property in use. The present GIM II ICS provides this data to OF in terms of dollars only, but recognizes existing FPA requirements for PPA and PRA. Development of an alternative seems to be a requirement, probably related to the details of para D(3) above.

F. Direct funding of non-stock items. If the users are fully aware of the range of items in stock, there seem to be no requirement for non-stock requisitions to be reviewed by cognizant commodity managers. Dues-in ~~4~~ can be established by processing these through a DAC position. This would also provide OF with a record of funds committed by each funding element. We would present that existing OL/SD/CCDB, OL/PD and OL/SD/CD responsibilities would continue, recognizing any fund control mechanism developed to replace the present PPA/PRA concept.